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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

OFFICE OF THE ATTORNEY GENERAL
COMMONWEALTH OF KENTUCKY

Case No. 2005-00057

Complainant

v.

ATMOS ENERGY CORPORATION

Respondent

Attorney General's Motion for Ruling and Procedural Schedule

Comes now the Attorney General, by and through his Office of Rate Intervention ("AG"), and files this motion for an immediate ruling that Atmos Energy Company ("Atmos") is over earning, to establish a procedural schedule to determine the amount of the excessive over earning, and to reduce the rates charged to reasonable amounts prospectively. As grounds for this motion the Attorney General states the following.

On 1 February 2005, the Attorney General filed a complaint against Atmos which unequivocally demonstrated a *prima facie* case that the Company was over earning. While the Company filed an answer on 14 February 2005 trying to refute same¹, the Attorney General responded on 25 February 2005, reiterating its irrefutable position that the Company is over earning and that a hearing should be held to reduce the rates.

¹ On 15 February 2005 Atmos filed a correction to an error on a schedule included in its Answer.

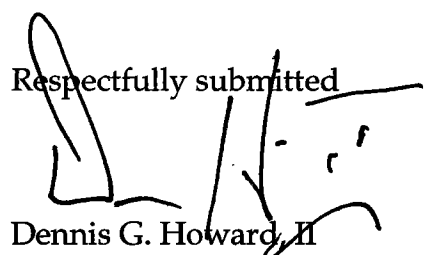
Close to seven months have now passed with no ruling by the Commission on the demonstrated need to reduce Atmos' rates. Given the concurrence by local distribution companies, including Atmos, the Commission, the Attorney General, and other stakeholders that the approaching winter will present ratepayers with significant increases for the natural gas cost portion of their bills, it is imperative that the Commission rule that the company is over earning and immediately set in course a procedural schedule and hearing to reduce the non-gas rates so that customers are not burdened with the support of inflated earnings for Atmos on top of increases in gas prices.

Given the delay that has already occurred since the filing of the Complaint, it is impossible to afford the Attorney General and other interested parties sufficient time to conduct meaningful discovery, hold a hearing, and issue a decision prior to the beginning or the end of this heating season. Under a system governed by the principle of the fixed rate doctrine, justice delayed becomes justice denied. To provide reasonable rates prospectively, the Attorney General respectfully demands that a procedural schedule and hearing immediately be established in this docket.

CONCLUSION

The Commission should rule that the Complaint makes a *prima facie* case that Atmos is over earning and should immediately establish a procedural schedule and hearing in this docket.

Respectfully submitted



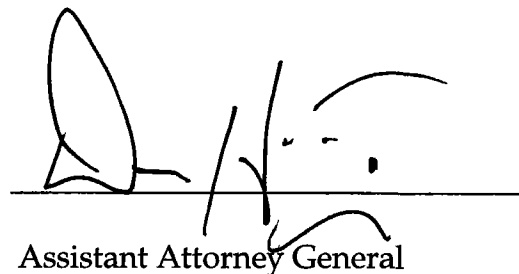
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NOTICE OF FILING AND CERTIFICATION OF SERVICE

I hereby give notice that I have filed the original and ten true copies of the foregoing with the Executive Director of the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 this the 13th day of September, 2005, and certify that this same day I have served the parties by mailing a true copy, postage prepaid, to the following:

HONORABLE JOHN N HUGHES
124 W TODD ST
FRANKFORT KY 40601

WILLIAM J SENTER
VP RATES AND REGULATORY AFFAIRS
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